



2 May 2014

Committee Secretary
House of Representatives Standing Committee on Agriculture and Industry
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Sir/Madam

Cider Australia appreciates the opportunity to make a submission to the House of Representatives Standing Committee on Agriculture and Industry inquiry into country of origin food labelling.

Cider Australia is the national body that represents the cider and perry (pear cider) industry in Australia. We have more than 50 member organisations including Australian agricultural producers, local and international cider makers, manufacturers and distributors. These businesses directly employ hundreds of people in regional areas across Australia and indirectly support the employment of thousands of others.

Cider Australia's primary concern as an organisation is to build a sustainable category through maintaining and improving the quality of ciders produced and marketed in Australia. Our key functions are to advance the industry through policy development and promotion, educating consumers about production and responsible consumption, and creating marketing opportunities and strategies to assist producers to grow their businesses.

Integrity in labelling is crucial for the long term development of the Australian cider industry. To sustain growth and provide for a maturing market, consumers must be able to identify what they are buying, and producers must be able to differentiate their product. Existing labelling laws, including country of origin labelling requirements, do not achieve these objectives and will increasingly hamper competition, diversification and investment in the cider sector as the industry grows and matures.

Adequacy of information provided to Australian consumers

The current Country of Origin Labelling system does not provide sufficient information for Australian consumers of cider to make informed purchasing decisions. The existing laws do not allow consumers to identify the origin of the key ingredient in cider, the apple and/or pear juice.

There has been a high level of media coverage in recent years about the use of imported concentrate in cider which indicates there is a group of consumers that would choose to purchase cider made from Australian juice if properly informed.

Cider Australia believes that product labels should identify the specific country of origin of the key ingredients. In relation to reconstituted or diluted ingredients (for example, apple juice made from concentrate), labels should also identify the country of origin of the concentrated input.

Improved country of origin labelling would benefit Australian producers and consumers of cider by placing pressure on the major Australian producers to use Australian juice, encouraging the cider producers that already use Australian juice to continue to do so, and giving consumers greater confidence that the claims on labels are accurate.

Cider makes up a relatively small part of total alcohol sales in Australia at around 3 per cent, but its share grew by 42 per cent last year and this trend is projected to continue. Given the strong projected growth in Australian cider consumption over the next few years, there is a substantial opportunity to expand the market for Australian fruit juice which would stimulate regional job creation and economic growth.

To put into context the potential benefits of using more local juice in cider production: total annual apple production in Australia is currently around 290,000 tonnes, placing us as 33rd largest producer. In comparison, the largest producer is China at almost 36 million tonnes per year, and the second largest is the US at 4.2 million tonnes per year. Australian cider sales are around 120 million litres per year, requiring the equivalent of 171,000 tonnes of fruit. Cider Australia understands that a significant proportion of the cider produced in Australia is derived from imported concentrate, though is unaware of the exact proportion. If it is assumed that 20 per cent (or 24 million litres) of the cider currently sold in Australia is made from locally grown fruit, and clearer country of origin labelling resulted in the use of Australian fruit doubling to 48 million litres, then cider producers would require an additional 34,000 tonnes of fruit per year. This potential demand represents more than 10 per cent of current apple production in Australia, and if realised would have huge flow on benefits for regional apple producing communities around Australia.

By way of background for the Committee, Cider Australia is seeking a range of other changes to cider labelling laws to improve the information provided to consumers and align Australia's regulatory framework with best practice approaches in other key cider producing countries. The key reforms sought include:

- adoption of a consistent definition of cider across tax and food standards legislation. Cider Australia considers the definition of cider under the food standards and, consequently, the range of products that can be labelled as 'cider' in Australia, to be too broad; and
- the introduction of a minimum juice content requirement for cider produced and/or sold in Australia. Cider Australia believes there is an expectation amongst consumers that cider is made from the juice of apples and/or pears, but notes there is currently no way for a consumer to identify how much juice (if any) is in a cider.

The cider industry is also exploring voluntary industry initiatives to better inform consumers about the product, such as adoption of Apple and Pear Australia Limited's "*Made with Aussie Apples*" logo to signify the use of 100% Australian juice. However, stronger country of

origin labelling is a necessary complement to industry initiatives to enable consumers to make an informed choice.

Please do not hesitate to contact our Executive Officer, Jane Anderson

Yours sincerely

Sam Reid
President